SURREBUTTAL TESTIMONY OF

MATTHEW J. HAMMOND, P.E.

ON BEHALF OF

DOMINION ENERGY SOUTH CAROLINA, INC.

DOCKET NO. 2020-63-E

1	Q.	PLEASE	STATE	YOUR	NAME,	BUSINESS	ADDRESS,	AND
2		OCCUPAT	ΓΙΟΝ.					

My name is Matthew J. Hammond. I am currently employed by Dominion 3 A. Energy South Carolina, Inc. ("DESC") as the Manager of Electric Transmission 4 Support within DESC's Transmission Department. My business address is 220 5 Operation Way, Cayce, South Carolina. 6

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- 8 Q. **BRIEFLY STATE YOUR** EDUCATION, BACKGROUND, **AND** 9 EXPERIENCE.
- In 1994, I received a Bachelor of Science degree in Engineering, with honors 10 A. 11 and emphasis in Electrical Engineering, from the University of South Carolina. In 12 2006, I earned a Masters of Business Administration from the University of South Carolina. I am also certified through the state of South Carolina as a Registered 13 Professional Engineer. 14

In 1991, while still a student, I began working for DESC (then, South Carolina Electric & Gas Company¹) as an Engineering Student Assistant and have been working for DESC ever since. I have served in various roles during my time at DESC. From 1996 through 2007, I worked in DESC's Power Marketing Department in various leadership roles, including as Power Marketing Manager and as the Trading Operations Manager. In these roles, I primarily represented DESC in the wholesale power market by serving as the account manager to full and partialrequirements customers, managing contracts with industrial customers, and completing other tasks. I negotiated numerous Power Purchase Agreements. My tenure in the Power Marketing Department required a high degree of familiarity with the Federal Energy Regulatory Commission ("FERC") regulations and with DESC's Open Access Transmission Tariff ("OATT"). In addition to working in the Power Marketing Department, I spent six years working for DESC's Electric Operations Department as a Manager of Distribution Crew Quarters. I also have served in various other positions at DESC.

In August of 2013, I began working as the Manager of Electric Transmission Support within DESC's Transmission Department. I have remained in this position to present day. I serve as the primary customer interface for utility-scale interconnection customers (projects larger than 20 kilowatts ("kW")) and all wholesale users of the bulk electric system. For the Transmission Department, I

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¹ In April of 2019, South Carolina Electric & Gas Company changed its name to DESC.

ensure proper administration of DESC's OATT and the South Carolina Generator Interconnection Forms, Procedures, and Agreements (the "South Carolina Standard"). I also serve as the administrator of DESC's generator interconnection programs for both transmission and distribution systems. Thus, I manage interconnections for DESC, whether they are FERC-jurisdictional (i.e., the generator intends to establish a rate on file with the FERC and comply with all relevant FERC rules) or state-jurisdictional, as is the case with the solar facility (the "Generating Facility") that Bridgestone Americas Tire Operations, LLC ("BATO") proposes to operate. Among other things, I am also responsible for recertification training for DESC's System Operators that are certified with the North American Electric Reliability Corporation ("NERC"), transmission contract administration, and the associated customer billing.

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HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC SERVICE 0. COMMISSION OF SOUTH CAROLINA ("COMMISSION")?

Α. Although I previously submitted written testimony to the Commission on other occasions, I have not actually appeared before the Commission to provide testimony.

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Q. DID YOU SUBMIT DIRECT TESTIMONY IN THIS DOCKET?

21 No, I did not. A.

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Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

3 The purpose of my testimony is to address items raised by BATO in the A. rebuttal testimony of BATO Witness McGavran and BATO Witness Cannon related 4 5 to the Generating Facility. Specifically, I state my belief that the South Carolina Standard is applicable and the Generating Facility must be processed in accordance 6 7 with the South Carolina Standard. I also explain why the rebuttal testimony of 8 BATO, which seeks to avoid the application of the South Carolina Standard, 9 evidences a clear, fundamental misunderstanding of the Generating Facility and South Carolina Standard. 10

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Q. ARE YOU PROVIDING ANY EXHIBITS WITH YOUR SURREBUTTAL

TESTIMONY?

14 A. Yes. I am providing Exhibit No. __ (MJH-1), Exhibit No. __ (MJH-2),
15 Exhibit No. __ (MJH-3), and Exhibit No. __ (MJH-4) which highlight written
16 communications demonstrating DESC's commitment to working with BATO
17 throughout the interconnection process, which will be discussed more fully below.

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Q. WHAT IS YOUR FAMILIARITY WITH THE SOUTH CAROLINA

20 **STANDARD?**

I am very familiar with the South Carolina Standard and I was very involved with the policy discussions and drafting of the South Carolina Standard. I, along with others, participated extensively in the drafting of this process. Since the adoption of the South Carolina Standard, I have been directly involved with every interconnection request DESC has received for projects greater than 20 kW. To be clear, I have been involved with interconnection issues, questions, and disputes relating to the South Carolina Standard that ranged from utility-scale generation, to industrial behind-the-meter generation and even large rooftop solar (which also falls under the South Carolina Standard). It is with this experience that I state unequivocally that the Generating Facility must be processed in accordance the South Carolina Standard before it can operate on the DESC system.

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SURREBUTTAL TO BATO WITNESS MCGAVRAN

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ON PAGE 3, LINE 9 THROUGH LINE 14, BATO WITNESS MCGAVRAN 15 Q. **THAT** "ENTIRE 16 **CLAIMS SINCE** THE **PURPOSE**" **OF** THE GENERATING FACILITY IS TO SERVE THE BATO FACILITY, THE 17 18 GENERATING FACILITY IS NOT SUBJECT TO THE SOUTH CAROLINA STANDARD. DOES THIS ACCURATELY SUMMARIZE THE 19 SOUTH CAROLINA STANDARD? 20

No. Once again, BATO Witness McGavran simply misstates the South Carolina Standard. The Commission did not adopt an exemption based on the purpose of the Generating Facility. Rather, this project triggers the South Carolina Standard simply because it will interconnect and operate in parallel with the DESC system—the fundamental issue in this case. To be clear, based on my work helping to craft the South Carolina Standard and my experience with the South Carolina Standard since its adoption, I believe BATO must submit an interconnection application under the South Carolina Standard and DESC must process that application in accordance with those rules as adopted by the Commission. To date, BATO has achieved half of this equation—it has submitted an interconnection request, but now refuses to acknowledge that such request must be processed in accordance with the South Carolina Standard. I do not think BATO or DESC can skirt the Commission's jurisdiction or unilaterally modify the South Carolina Standard to accommodate BATO's preference to move more quickly through the queue or operate outside of the queue entirely.

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ON PAGE 5, LINE 4 THROUGH LINE 14, BATO WITNESS MCGAVRAN
CLAIMS THAT DESC'S ARGUMENT THAT THE GENERATING
FACILITY COULD INFLUENCE THE DESC SYSTEM IS "STRICTLY AN
ACADEMIC ARGUMENT UNFOUNDED BY ANY REAL WORLD
EVIDENCE IN THIS CASE." ARE GENERATORS SUBJECT TO THE

STUDY AND REVIEW PROCESS UNDER THE SOUTH CAROLINA STANDARD ONLY WHEN DESC HAS "REAL WORLD" EVIDENCE THAT ISSUES WOULD ARISE?

No. Again, BATO Witness McGavran's novel requirement of "real-world" evidence is not the standard for determining if the South Carolina Standard applies, and it is actually in direct conflict with the study and review process under the South Carolina Standard. That is, DESC cannot simply allow every generator to interconnect, operate in parallel, obtain the "real-world" evidence of such generator's influence on the DESC system, and then decide if the project should be processed—including studied—under the South Carolina Standard. Likewise, DESC cannot ignore the Commission's generation rules simply because it has prior knowledge of load patterns, as BATO Witness McGavran seems to suggest. Additionally, if the South Carolina Standard is deemed inapplicable to the Generating Facility, DESC would have no oversight if BATO later increased its generating capacity, either by expanding the Generating Facility or adding another generator, without any notice to DESC, the Commission, or any other regulatory body.

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ON PAGE 8, LINE 6, BATO WITNESS MCGAVRAN CLAIMS THAT DESC

"POINTS TO NO EVIDENCE OF 'INFLUENCE' BY [THE GENERATING

FACILITY ON THE DESC SYSTEM], DEALING INSTEAD IN

SPECULATION OR HYPOTHETICALS." DOES THIS REFLECT AN ACCURATE UNDERSTANDING OF THE SOUTH CAROLINA STANDARD?

A.

No. BATO Witness McGavran—again—misunderstands the fundamental principles underlying the South Carolina Standard. BATO Witness McGavran is sidestepping the initial question of whether the Generating Facility operates in parallel and should therefore be subject to the Commission's rules. By sidestepping this threshold question, Witness McGavran jumps to what the results of any potential study process under the South Carolina Standard might conclude. However, we are not at the point of debating before this Commission what DESC's studies will show or whether "real-world" operations call a study assumption into question.

Further, any such study process <u>must</u> deal in "hypotheticals" and "academic" arguments to determine what would happen in specified instances <u>if</u> the generator operated in parallel with DESC's system. This is the only way DESC can identify and address any potential reliability and safety problems <u>before</u> those issues cause serious harm to the DESC system, the BATO system, or other customers in the "real-world." If DESC were to take such an approach, not only would it be ignoring the clear rules and intentions of the Commission, but also the results of such a process would be disastrous and irresponsible—in direct contrast to the way in which DESC is required to operate under the South Carolina Standard.

Again, let me be clear so that BATO does not effectively cloud the actual issue at-hand by contorting the intent of the South Carolina Standard—interconnection studies and assumptions are not the issue. The issue is whether the Generating Facility should be processed in accordance with the South Carolina Standard, as adopted by the Commission. Put simply, the answer is yes.

A.

Q. SINCE BATO ALREADY CONSTRUCTED THE GENERATING FACILITY, DOES THAT MEAN DESC CAN PROVIDE SPECIAL TREATMENT TO BATO, OR BAR THE APPLICATION OF THE SOUTH CAROLINA STANDARD ENTIRELY?

No. As an initial matter, I worked with BATO from the very beginning of this process. At the time of the initial submittal, the BATO request was the first of its kind received since the adoption of the South Carolina Standard. After a short internal review, DESC made clear to BATO that the South Carolina Standard applied to the Generating Facility.

To date, BATO has ignored DESC, the Office of Regulatory Staff, and the rules of this state, but DESC <u>cannot</u> ignore (i) the South Carolina Standard, (ii) the Commission's jurisdiction, or (iii) the retail sales contract simply because BATO completed construction on the Generating Facility without even having an interconnection agreement. This is not a concept recognized anywhere in the South Carolina Standard. If it were, then developers would race to complete construction

as fast as possible to cement their queue position at the front of the line. Such an approach is simply not contemplated by the South Carolina Standard.

I can understand that many developers may not see how a one-time exception could affect the entire queue. After all, they are worried about their one project and want to complete that project, typically, even if it is at the expense of other projects in the queue. However, this approach is simply in conflict with the South Carolina Standard given that DESC has thousands of projects of all sizes from residential rooftop to utility-scale who all must be processed in a non-discriminatory, queuelike manner under the South Carolina Standard. It is essential for DESC to treat these projects in a comparable fashion and for all parties, not just DESC, to respect the Commission's jurisdiction. Indeed, the Commission established the South Carolina Standard to provide a roadmap to the industry which DESC must apply consistently so that participants can confidently participate in the renewable energy market in South Carolina and make informed, knowledgeable, and market-based decisions about the same.

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SURREBUTTAL TO BATO WITNESS CANNON

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ON PAGE 2, LINE 19 THROUGH LINE 23, BATO WITNESS CANNON Q. **CLAIMS THAT DESC** "STYMIED" BATO'S **INITIAL** INTERCONNECTION APPLICATION IN 2017 WHICH WAS REJECTED

BY DESC AS "UNTIMELY." IS THIS AN ACCURATE REPRESENTATION OF THE FACTS?

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No, it is not. BATO's 2017 interconnection request was intended for the DESC's Bill Credit Agreement Buy-All-Sell-All ("BCA") program. The BCA program was suspended indefinitely on April 27, 2017, by the Commission in Order No. 2017-246. Pursuant to the Commission-approved BCA tariff, for BATO to proceed forward as a participant in the BCA program after the indefinite suspension by the Commission, BATO needed to have, by April 27, 2017 (i) applied and been approved by DESC to participate in the BCA program, (ii) properly executed an interconnection agreement, and (iii) made all payments and financial-security related requirements set forth in the interconnection agreement. This was a requirement of the BCA program, and had nothing to do with the South Carolina Standard itself. As of April 27, 2017, BATO had neither approval to participate in the BCA program nor an executed interconnection agreement. To be clear, BATO first submitted an incomplete interconnection application on April 19, 2017, and the remaining information needed to complete the interconnection application was received on April 25, 2017. For the Generating Facility to have been eligible for the BCA program, DESC and BATO would have had to navigate the entire interconnection process in a matter of a few days given that the BCA program was terminated two days later on April 27, 2017. In my experience, it is extraordinarily

unreasonable to think that BATO could have completed the entire interconnection process in a two-day period.

As a matter of fact, DESC ultimately withdrew the interconnection request from the queue due to BATO's inactivity on the project. DESC notified BATO on June 2, 2017, that the project failed the prescribed Fast Track review process and needed to proceed under the Supplemental Review process. BATO failed to respond in a timely fashion and ultimately never agreed to the Supplemental Review. Subsequently, and as a direct result of BATO's inactivity, DESC was forced to remove the request from the queue in accordance with the South Carolina Standard. Please note that the 2017 request was fundamentally different from, and has no direct influence on the request at issue today given that the 2017 request applied to interconnect directly to the distribution system and met the requirements for an initial screening under the Fast Track process.

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ON PAGE 3, LINE 4 THROUGH LINE 5, BATO WITNESS CANNON CLAIMS THAT DESC "GAVE BATO THE GREEN LIGHT TO CONSTRUCT" THE GENERATING FACILITY. DID DESC TELL BATO TO START CONSTRUCTING THE GENERATING FACILITY?

No. I want to be clear on this point because this is a strange, consequential accusation. Neither DESC's policy nor the South Carolina Standard places DESC in the position of telling developers when to begin construction on their projects.

As DESC made clear in its correspondence submitted in this docket on February 21,
2020—and as I will make clear now—DESC never told BATO to begin
construction on the Generating Facility, and BATO began construction
"unilaterally." I cannot imagine the never-ending administrative and legal
consequences if DESC were to tell developers when to start or stop construction.
BATO began construction of the Generating Facility without any corresponding
"green light" from DESC and with full knowledge that any such Generating Facility
would be subject to the South Carolina Standard. As with many of the statements
made by BATO Witness Cannon, it is unclear to me precisely why BATO believes
that DESC gave—or would give under any circumstance—BATO or any other
generator the "green light" to begin construction. Certainly, that was not the case
here.

- ON PAGE 3, LINE 7 THROUGH LINE 8, BATO WITNESS CANNON O. CLAIMS THAT DESC "HAS CONTINUALLY REFUSED TO PROVIDE BATO ANY EXPECTATION AS TO WHEN THE [GENERATING FACILITY CAN BE PUT IN SERVICE." IS THIS TRUE?
- As evidenced by the voluminous email correspondence attached as Exhibit No. (MJH-1), Exhibit No. (MJH-2), Exhibit No. (MJH-3), and Exhibit No. (MJH-4), DESC responded to BATO on numerous occasions, with detailed explanations about queue activity, queue position, aggregate MW under study, and

even the peak load on DESC's system relative to the amount of projects in the queue. However, given all of these details—as relayed on multiple occasions to BATO—BATO seems to imply DESC stonewalled BATO at every turn when it inquired about its queue position and relative timing. That is simply another mischaracterization of the facts. The facts indicate that DESC provided every detail it could to satisfy BATO's continuous requests for updates on the progress of the Generating Facility through the queue, clearly evidencing DESC's desire to maintain its valued relationship with BATO—a characterization that BATO Witness Cannon so fervently and surprisingly denies.

For the convenience of those in the queue, DESC publishes its queue and updates this information on a monthly basis. However, just as DESC does not "green light" construction for projects, it also does not issue guaranteed in-service dates given the fluid nature of the queue and the uncertainty associated with construction activities. For example, although BATO's queue number would not change, its position in the queue relative to other projects is subject to all manner of events that are not within the control of DESC, such as the withdrawal of other projects or the necessity to re-study other projects. To protect DESC and the developers from unwarranted reliance on a specific date, DESC does not provide such dates, but rather provides updates on queue position as a guide.

ON PAGE 3, LINE 9 THROUGH LINE 13, BATO WITNESS CANNON
CLAIMS THAT THE GENERATING FACILITY IS NOT SUBJECT TO
THE SOUTH CAROLINA STANDARD GIVEN THAT IT "WILL BE
STRICTLY FOR SELF-CONSUMPTION BY BATO AND WILL FULLY
PROTECT DESC'S EQUIPMENT AND FACILITIES." IS IT TRUE THAT
THESE CHARACTERISTICS EXEMPT THE GENERATING FACILITY
FROM THE SOUTH CAROLINA STANDARD?

A.

Q.

No. Again, BATO simply misinterprets the South Carolina Standard. I addressed the self-consumption issue above. However, the new "fully protect" characterization put forth by DESC Witness Cannon is similarly puzzling. I can think of no precedent under the South Carolina Standard that indicates generators are exempt from such regulations so long as they "fully protect" the utility's equipment and facilities. Again, this is yet another distinction drawn by BATO that operates outside of any Commission-approved guideline, principle, or regulation to send the Generating Facility straight into operation without any guardrails or oversight. I guess this would be like someone saying that they promise not to do any damage while driving a car, so they do not need to take the driver's test and obtain a license prior to operating a vehicle.

Not only does BATO claim it is exempt from the South Carolina Standard, but then it goes on to say that "it is [BATO's] right" to ask the Commission to permit operation of the Generating Facility. In short, BATO attempts to utilize the

jurisdiction of the Commission only when it is favorable to BATO. That is, BATO attempts to sidestep the South Carolina Standard because the Commission's rules mandate that the Generating Facility cannot "jump the line." However, in the same argument, BATO seems to accept the jurisdiction of the South Carolina Standard only if the Commission would permit it to "jump the line." This is just another circular argument that defies logic and is not tied, in any way, to the South Carolina Standard.

Α.

Q. ON PAGE 3, LINE 15 BATO WITNESS CANNON CLAIMS THAT "BATO HAS MET EVERY REQUIREMENT IMPOSED BY DESC." IS THIS TRUE?

First, these are not requirements imposed by DESC. These are requirements imposed by this Commission. It is hard to imagine how this statement could be made when BATO refuses to even acknowledge something so preliminary and fundamental as the processing of its interconnection request pursuant to the South Carolina Standard. Requiring a customer to comply with the South Carolina Standard before operating a generating plant is not a novel technicality that DESC conjured up to apply only to the Generating Facility. Rather, it is a well-established, fundamental application of the South Carolina Standard.

DESC has not evaluated the impacts of the Generating Facility on the electrical system because it is simply not the Generating Facility's turn to be

evaluated in the queue. DESC and BATO have not even negotiated or executed an interconnection agreement for the Generating Facility. So, I am at a loss when I read BATO Witness Cannon's claim that BATO has met "every requirement." If that were the case, I would imagine there would be no need for an adversarial proceeding before the Commission.

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A.

ON PAGE 3, LINE 17 THROUGH LINE 18, BATO WITNESS CANNON CLAIMS THAT "DESC IS HIDING BEHIND AN UNNECESSARILY COMPLICATED, LABYRINTHINE GENERATOR INTERCONNECTION PROCESS." DO YOU AGREE WITH THIS CHARACTERIZATION?

No, not at all. First, let me re-iterate—what BATO Witness Cannon describes as a "labyrinthine generator interconnection process" was approved and implemented by the Commission—not DESC—and reflects a thoughtful consideration of principles underlying similar requirements at the FERC and in other states. As I mentioned above, if BATO wishes to see the South Carolina Standard reformed, it should address those concerns in the upcoming interconnection proceeding in Docket No. 2019-326-E, not in an adversarial proceeding with DESC.

Second, DESC has not hidden behind the South Carolina Standard, but has instead processed BATO's interconnection request in accordance therewith. In fact, BATO tried to expedite the request initially by submitting it pursuant to the Fast

Track process in the South Carolina Standard. However, unlike the initial request submitted in 2017, the Generating Facility did not qualify for even an initial evaluation under Fast Track. By way of background, eligibility for the Fast Track Process is predicated on several criteria outlined in Section 3.1 of the Procedures (the "Procedures") in the South Carolina Standard. Among other things, Section 3.1 specifies that "Generating Facilities connecting to lines greater or equal to 25 kilovolt (kV) are ineligible for the Fast Track Process regardless of size." Therefore, the Generating Facility fails this criteria. Likewise, Section 3.2.1.1 of the Procedures requires that the "proposed Generating Facility's Point of Interconnection must be on a portion of the Utility's Distribution System." Although the Generating Facility connects to the 13.8 kV BATO system, the DESC system that serves BATO is the 115 kV transmission system. The Fast Track Screens simply are not applicable.

Additionally, it is unclear to me what DESC has "hidden" from BATO. I assume BATO's frustration arises from the fact that DESC is unable to guarantee an in-service date. However, as discussed above, the very details BATO wants to obtain can only be decided pursuant to the study and review process under the South Carolina Standard. Requesting these details even prior to obtaining an interconnection agreement reflects a fundamental misunderstanding of the South Carolina Standard.

To be clear, DESC—and I, personally—have met and corresponded with
BATO on numerous occasions, provided detailed updates on its queue position, and
explored possible alternatives with BATO. All of these interactions have now
culminated in BATO not only disavowing the South Carolina Standard (pursuant to
which it submitted an interconnection request), but also the long-standing, good
relationship between DESC and BATO.

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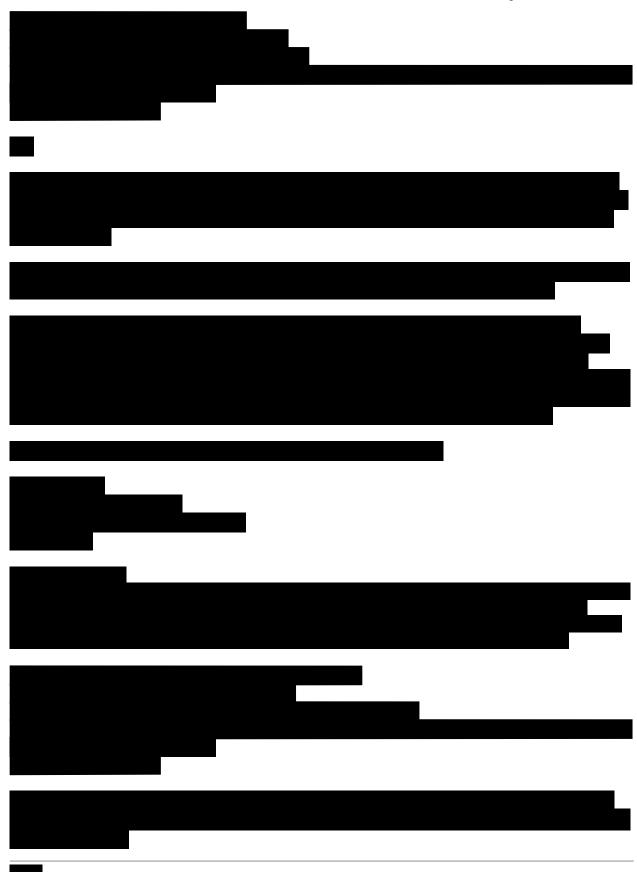
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8 Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

9 A. Yes.

Exhibit No. — (MJH-1) Page 1 of 4



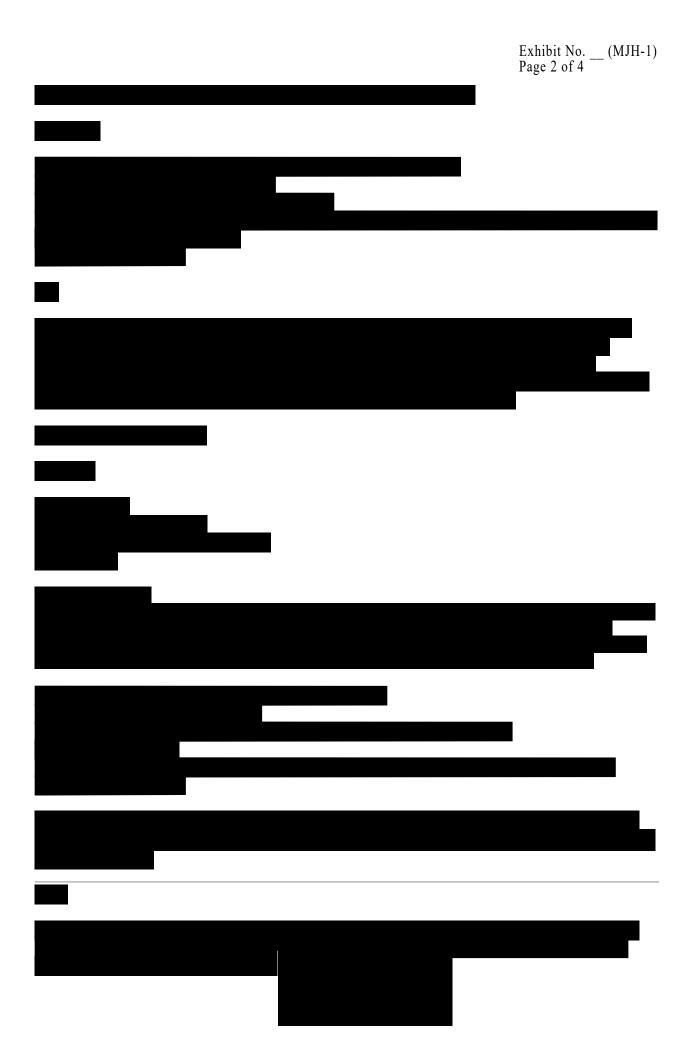


Exhibit No. __ (MJH-1) Page 3 of 4

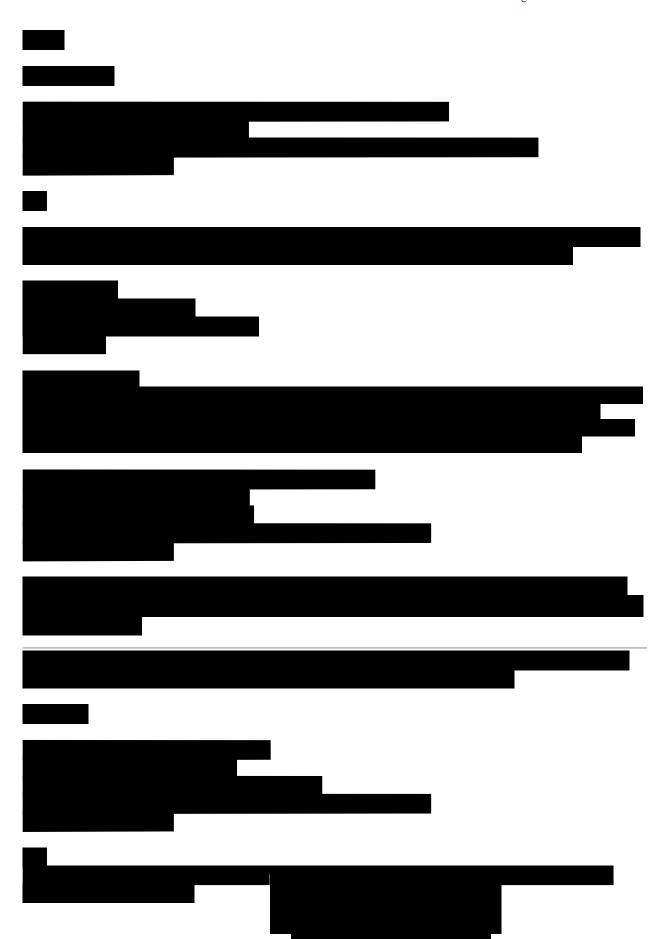


Exhibit No. -- (MJH-1) Page 4 of 4

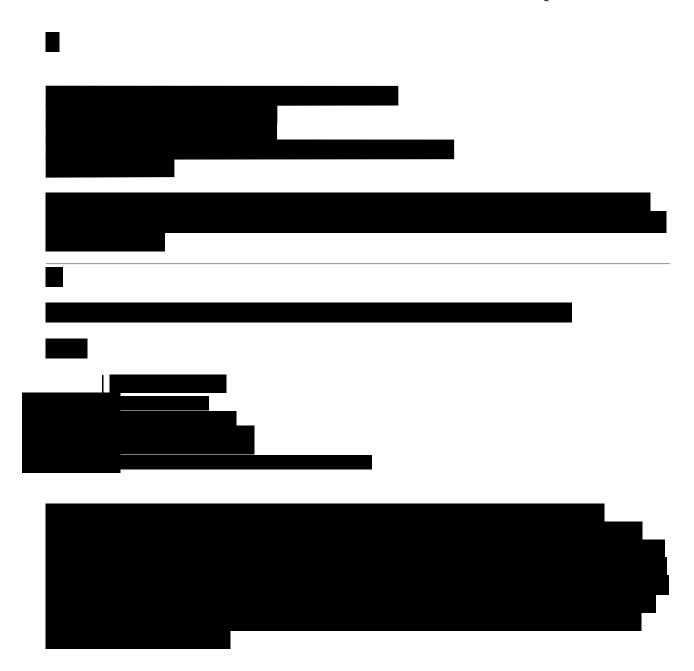




Exhibit No. __ (MJH-2) Page 1 of 2

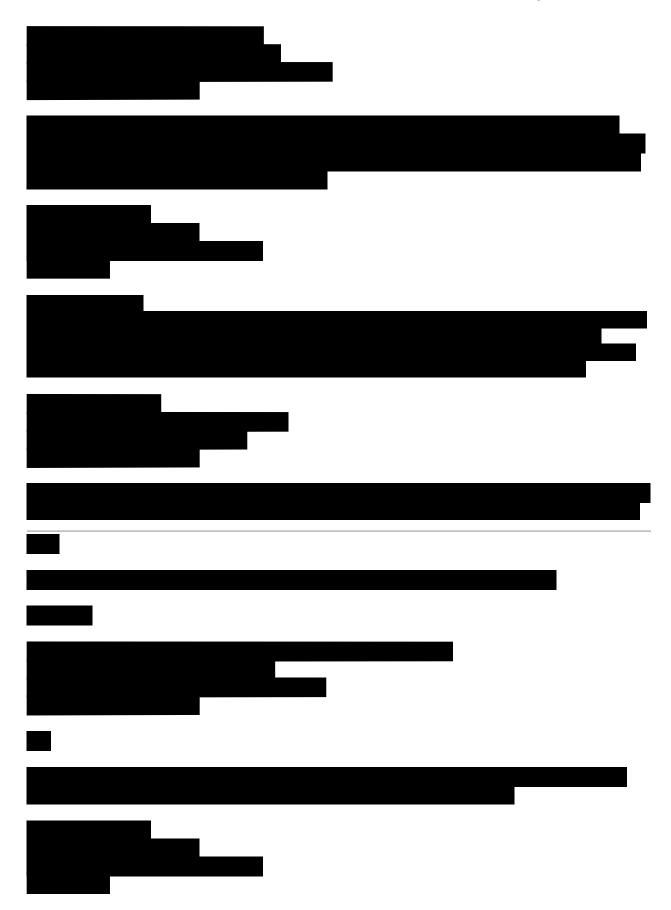


Exhibit No. __ (MJH-2) Page 2 of 2



Exhibit No. __ (MJH-3) Page 1 of 2

Exhibit No. ___ (MJH-3) Page 2 of 2

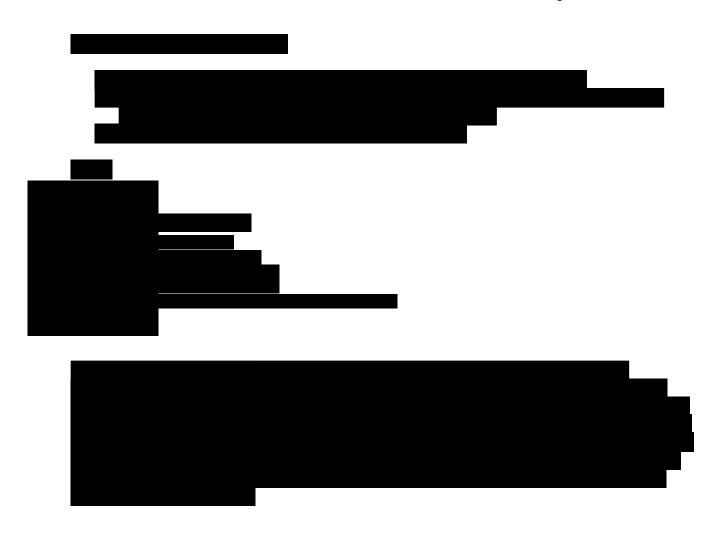


Exhibit No. __ (MJH-4) Page 1 of 2

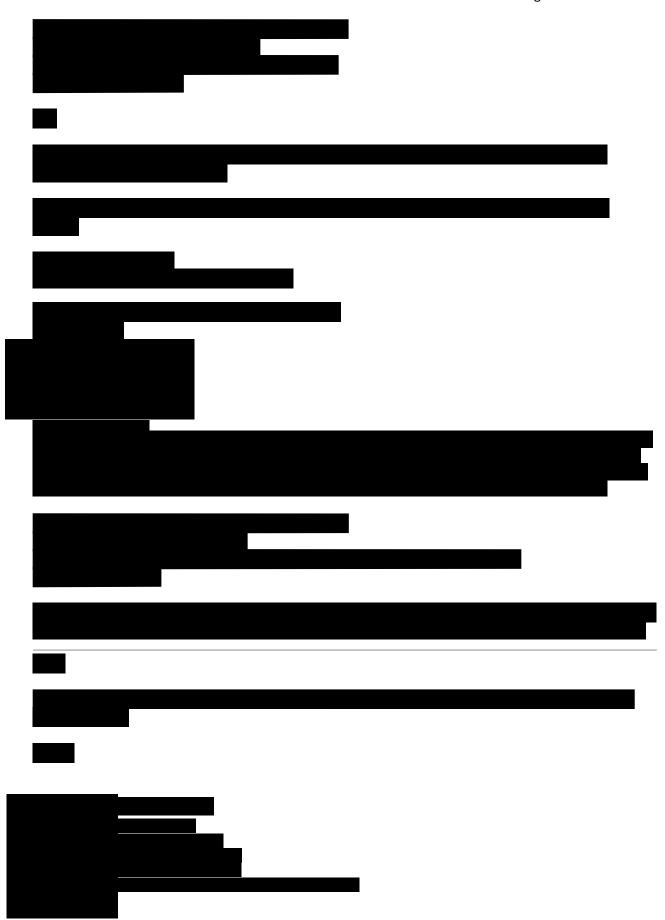


Exhibit No. ___ (MJH-4) Page 2 of 2

